

§ 847.906

chapter 84, subchapter II, including all reductions provided under that subchapter.

§ 847.906 How is the present value of a deferred annuity without credit for NAFI service computed?

(a) The present value of a deferred annuity equals the present value of the deferred annuity without credit for the NAFI service as of the deferred annuity date discounted for interest to that date.

(b) The present value of the deferred annuity without credit for the NAFI service as of the deferred annuity date equals the retiree's monthly annuity without credit for the NAFI service as of the deferred annuity date times the present value factor for the retiree's age on that date.

(c) The present value under paragraph (b) of this section is discounted for interest by dividing that amount by a factor equal to the value of the exponential function in which—

(1) The base is one plus the assumed interest rate under 5 CFR part 841, subpart D, on the commencing date of the retiree's immediate annuity, and

(2) The exponent is one-twelfth of the number of months between the commencing date of the retiree's immediate annuity and the deferred annuity date.

§ 847.907 How is the monthly annuity rate used to compute the present value of the deferred annuity without credit for NAFI service determined?

(a) The monthly annuity rate used to compute the present value of the deferred annuity under § 847.906 of this subpart for CSRS retirees equals the monthly annuity otherwise payable under 5 U.S.C. chapter 83, subchapter III, including all reductions provided under that subchapter.

(b) The monthly annuity rate used to compute the present value of the deferred annuity under § 847.906 of this subpart for CSRS Offset retirees is computed as described in paragraph (a) of this section, except that the reduction under section 5 U.S.C. 8349 does not apply.

(c) The monthly annuity rate used to compute the present value of the deferred annuity under § 847.906 of this

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subpart for FERS retirees equals the monthly rate of annuity otherwise payable under 5 U.S.C. chapter 84, subchapter II, including all reductions provided under that subchapter.

§ 847.908 If a retiree who elected to credit NAFI service under subpart H of this part earns a supplemental annuity under 5 CFR part 837, how will that supplemental annuity be computed?

This subpart does not affect supplemental annuities under 5 CFR part 837. Supplemental annuities will be computed in accordance with the provisions of that part.

§ 847.909 If a retiree who elected to credit NAFI service under subpart H of this part earns a right to a redetermined annuity under 5 CFR part 837, how will the redetermined annuity be computed?

(a) A redetermined annuity will not be subject to a reduction under this subpart if, on the date reemployment with the Government ends, the retiree qualifies for an immediate retirement without credit for the NAFI service.

(b) A redetermined annuity will be subject to a reduction under this subpart if, on the date reemployment with the Government ends, the retiree does not qualify for immediate retirement without credit for the NAFI service.

(c) The reduction in paragraph (b) of this section is computed as in accordance with § 847.903 of this subpart as if the individual was retiring for the first time.

§ 847.910 If a retiree who elected to credit NAFI service for CSRS immediate retirement returns to work for the Government under conditions that terminate the annuity, how will the retirement annuity be computed when the employee's service with the Government ends?

(a) If an individual whose annuity terminates upon reemployment with the Government elects to credit NAFI service under subpart B of this part to qualify for a new immediate retirement when the reemployment ends, the annuity will be subject to a reduction under this subpart.

(b) If an individual whose annuity terminates upon reemployment with